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C O N F I D E N T I A L SECTION 01 OF 02 PRAGUE 001589

SIPDIS

EUR/NCE FOR FICHTE, USNATO FOR SHEEHAN

E.O. 12958: DECL: 10/31/2015

TAGS: <u>PGOV PREL EZ CH RS CU LE SY ENRG ECON EFIN</u> SUBJECT: CZECHS ON CHINA, RUSSIA, AND BEING HEARD IN THE EU

Classified By: Political-Military Officer Brian Greaney for reasons 1.4 (b) and (d)

- 11. (C) Summary: During a meeting with visiting EUR/ERA Director Peter Chase, the Czech MFA's Political Director offered the following:
- -- The Czech Republic played a leading role within the EU to prevent lifting of the China arms embargo, but in the context of PM Paroubek's growing closeness with China the CR is unlikely to maintain its opposition to lifting the embargo if it remains largely isolated on the issue within Europe.
  -- The development of some EU states' relations with Russia has featured the abandonment of the pursuit of common values in international affairs. Now several countries are merely seeking cooperation with Russia to benefit common bilateral interests.
- -- Increased Russia-China cooperation could lead to a future energy shortage in Europe.
- -- France is a natural U.S. ally on Syria and Lebanon. -- U.S. engagement with groups of EU member states on various issues will only be problem-free if the U.S. makes stronger efforts to educate all 25 member states about the content of such discussions. End summary.
- 12. (C). EUR/ERA director Peter Chase met with MFA Policy Director Martin Povejsil and CFSP Director Petr Kaiser Oct 26 to discuss U.S.-Czech and Czech-EU relations.

EUROPE AND RUSSIA: VALUES NEED TO MATTER

13. (C) Povejsil said he believed the pursuit of common values in relations between Europe and Russia is being abandoned in the pursuit of common interests. Old Europe has lost sight of it stands for, seeking closer ties regardless of deep differences with Russia on issues such as good governance and human rights. Povejsil said some countries were ready to abandon the EU framework when they saw fit, citing the July meetings between France, Germany and Russia in Kaliningrad. He noted that neither the Poles nor the Lithuanians were invited to Kaliningrad, despite their significant concerns and interests in the region. A lack of EU engagement in that visit meant that both France and Germany had a free hand in fostering closer ties to Russia without the good governance concerns of fellow EU members standing in the way. believed better cooperation was possible, citing EU action in relation to the Balkans as an example of cooperation by member states on a values-influenced foreign policy.

RUSSIA LOVES CHINA: IS THEIR COURTSHIP BAD FOR EUROPE?

14. (C) Moving to the issue of Russia and China, s recent cooperation, Povejsil said he was watching the situation closely, to see if this solidified into a stable, lasting relationship. Povejsil believed that Europe,s dependence on Russian oil could lead to a strategic problem if resource-hungry China began to compete and drive up demand. Povejsil went on to say Europe would have to closely examine the strategic implications of the possible long term development of a Russia-China axis.

THE CHINA ARMS EMBARGO: CZECHS WILL NOT STAND ALONE

 $\P 5$ . (C) Povejsil told Chase that the Czechs, together with Denmark, had been the main opponents within the EU to the lifting of the China arms embargo. However, Czech Prime Minister Jiri Paroubek,s enthusiasm for better economic relations with China was well known, and the U.S. should not count on the Czechs indefinitely. Povejsil recommended the U.S. deliver strong demarches in all EU capitals the next time the issue arose, and build wider opposition to the lifting of the ban. Mr. Chase shared that President Bush had recently welcomed Commission President Barroso to the White House and told him the U.S. administration would not protect Europe from the reaction of the U.S. Congress if the ban were to be lifted.

LEBANON AND SYRIA: WHERE THE FRENCH ARE NATURAL U.S. ALLIES

16. (C) Povejsil commended the United States for its work with Europe on Ukraine, calling it an important realization of how transatlantic relations can and should be. Areas of mutual concern could be a vital stepping stone to a better transatlantic relationship. Povejsil urged continued close cooperation with the French on Lebanon, commenting that France will do whatever it can in that area because Prime Minister Hariri had contributed substantial sums to President Chirac,s election campaign.

WORKING WITH EUROPE: SUBGROUPS ARE FINE, BUT EDUCATE ALL 25

17. (C) In response to a question about U.S. cooperation with lead states in Europe, Povejsil agreed that a discussion of issues with all 25 prevented appropriate handling of complex topics. However he cautioned that the U.S. should not underestimate the sensitivity of the smaller EU members to feeling left out, and urged the United States to share information on small group discussions with all EU members. Kaiser commented that U.S. demarches in advance of the decision to retain the China arms embargo had been particularly effective in this regard. On other fora, Povejsil thought DAS Volker's Oct 08 meeting with Political Directors from CEE states in Bratislava was an extremely worthwhile event. He looked forward to more of these informal consultations in the future and said the Czech Republic would also recommend that the Austrian EU Presidency hold structured informal dialogues at 25 with the United States.

 $\P 8$ . (U) This cable has been cleared by Mr. Chase. CABANISS